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REMARKS

Claims 1-68 are pending, and Applicant currently amended independent Claims 1, 21, 35, and 55.

As a preliminary matter, Applicant respectfully directs the Examiner's attention to the Attorney's New Docket Number (i.e., BAC-32571), which Applicant intends to replace the Attorney's Old Docket Number (i.e., 027448.0008), a change which Applicant hereby respectfully requests, if possible, for the Examiner to effectuate.

In the interest of clarity, the following Item Numbers correspond to the Examiner's Item Numbers in the February 10, 2004 non-final Office Action..

1. The Examiner rejected Claims 1-34 under 35 U.S.C. § 101 as directed to non-statutory subject matter, noting Claims 1-34 recite an "abstract idea" and "all the steps can be performed in the mind of the user or by use of pencil and paper and no specific technology (e.g. computer, processor) is expressly recited in the body of the claims." The Examiner then cites *In re Toma, 197 USPQ 852 (C.C.P.A. 1978)* for this proposition. Respectfully, Applicant traverses and requests withdraw.

More specifically, Applicant respectfully asserts the Examiner may have misunderstood or misapplied *In re Toma*, in which the Court of Custom and Patent Appeals applied the Supreme Court decision in *Gottschalk v. Benson, 175 USPQ 673 (1972)*, to find that the plaintiff's claimed subject matter <u>was</u> statutory, to wit:

> Even if the only novel aspect of [plaintiff's] invention were an algorithm, it is not proper to decide the question of statutory subject matter by focusing on less than all of the claimed invention. In the process of our search for the meaning of Benson, we have defined certain classes of claims which are clearly not rendered nonstatutory by Benson. One such class covers those claims which do not directly or indirectly recite a Benson-type algorithm. Since the claims do not directly or indirectly recite an algorithm, the claims cannot preempt an algorithm. We hold, therefore, that the claims in this appeal are not rendered non-statutory by Benson. The 'technological' or 'useful' arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it 'enhances' the operation of a machine. This was the law prior to Benson and was not changed by Benson...The language which the examiner has quoted was written in answer to 'mental steps' rejections and was not intended to create a generalized definition of statutory subject matter...Moreover, it was not intended to form a basis for a new §101 rejection as the examiner apparently suggests. To the extent that this

'technological arts' rejection is before us, independent of the rejection based on Benson, it is also reversed.

197 USPQ 856-857. See also State St. Bank & Trust Co. v. Signature Fin. Group, 149 F.3d 1368 (Fed. Cir. 1998).

Nevertheless, Applicant amended steps *b and c* in independent Claims 1, 21, 35, and 55 to respectively clarify i) the master templates are retrieved from a fixed storage device, and ii) the live images are received from a biometric scanner, as discussed throughout the entirety of Applicant's specification, so that the Examiner can see that Applicant's claims indeed apply, involve, use, or advance the technological arts.

For at least the foregoing reasons, Applicant respectfully requests that the Examiner withdraw the rejection of Claims 1-34 under 35 U.S.C. § 101 as directed to non-statutory subject matter.

2-9. In various combinations, the Examiner rejected Claims 1-68 under 35 U.S.C. § 102(e) as being anticipated by U.S. Pub. No. 2001/0039533 A1 to Pare, JR. et al. ("Pare"). Respectfully, Applicant traverses and requests withdraw.

More specifically, Applicant respectfully reminds the Examiner that the Examiner must consider *all words* in a claim to determine patentability, to which Applicant respectfully submits the Examiner may not have fully comprehended Applicant's invention, Pare, or both, as they relate, individually and in various combinations, to the rejected claims, upon which Applicant will presently elaborate.

Pare describes a tokenless biometric financial transaction system. To be sure, Pare's system is entirely tokenless. *See, e.g., Paragraph 0002* ("[T]his invention provides a user...with the ability to pay for goods and services...using **only** a biometric) (emphasis added); *Paragraph 0004* ("[T]he disclosed invention is **completely tokenless**") (emphasis added); *Paragraph 0020* ("[T]here is a need for an electronic check financial transaction system that relies **solely** on a payor's biometric for transaction authorization, and does **not** require the payor to directly possess any personalized man-made memory tokens") (emphasis added); *Paragraphs 0021 and 0023* ("[I]t is the objective of the present invention to provide a new system and method of **tokenless** biometric financial transactions") (emphasis added); *Paragraph 0024* ("eliminates the need for a payor to directly possess **any** personalized man-made token") (emphasis added); *Paragraph 0025* ("payors **no longer need to remember personal identification numbers**") (emphasis added); *Paragraph 0032* ("without the payor presenting **any** personalized man-made tokens")

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(emphasis added); *Paragraph 0038* ("eliminates the need to directly possess **any** personalized tokens") (emphasis added); *Paragraph 0039* ("significantly reduces the amount of memorization"); *Paragraph 0046* ("**solely** from an analysis of a user's unique biometric characteristics") (emphasis added); *Paragraph 0055* ("It is the **essence** of this invention that the payor not be required to directly use any man-made personalized token in order to effect the transaction") (emphasis added); *Paragraph 0062* ("without requiring the payor to carry driver's licenses, credit cards, check guarantee cards, or other forms of identity"); *and Paragraph 0153* ("The payor is thus identified through biometrics"). Similarly, Pare specifically distinguishes his conception from numerous other patents that "teach[] away from tokenless biometric financial transaction." *See Paragraphs 0012-0013.* Accordingly, Pare's system is entirely tokenless.

Applicant's inventions and claims, on the other hand, are distinguishable for at least the following reasons:

First, unlike Pare, Applicant's inventive arrangements are entered by presenting unrestricted identification data **prior to** entering a biometric sample. Thereafter, all master templates associated with that identification data are retrieved from a fixed storage device (such as a database, for example), after which a live image of a biometric sample is then received from an applicant. Pare's conception, on the other hand, either i) completely eliminates the receipt of identification data, or ii) explicitly teaches away from receiving identification data, the effect of which is failing to teach, disclose, or suggest either directly or indirectly, steps *a and b* of Applicant's independent Claims 1, 21, 35, and 55. Alternatively, Pare's conception also teaches an opposite ordering, to wit: "[A] party at the point of sale originates an electronic payment in the *following* manner. First, the payor submits a bid biometric sample...**Next,** the payor optionally enters a PIN code..." (emphasis added). *Paragraphs 0153-0154.* In short, Pare does not teach, teaches away from, or alternatively teaches reverse ordering of Applicant's receipt of unrestricted identification data.

Second, unlike Pare, Applicant's identification data comprises i) primary identification data, ii) secondary identification data, if any, and iii) financial account data, if any. Pare's conception, on the other hand, does not disclose identification data comprising i) primary identification data, ii) secondary identification data, if any, and iii) financial account data, if any. Since Pare's conception is entirely tokenless, there is no receipt of identification data, whether unrestricted or not.

Third, unlike Pare, Applicant's identification data is a pointer into master templates. Pare's conception, on the other hand, fails to teach, disclose, or suggest use of and receipt of identification data as a pointer into master templates, whereby a subset of master templates associated with said identification data is retrieved, said subset commonly being a fractional proportion of all said master templates potentially associated with said identification data. In other words, Pare's conception fails to teach, disclose, or suggest using identification data—much less unrestricted identification data—to narrow down a number of master templates to be subsequently checked against a live image of a biometric sample from an applicant.

Fourth, unlike Pare, Applicant stores at least two master templates for each biometric sample. Pare's conception, on the other hand, does not teach, disclose, or suggest storage or use of multiple master templates for each biometric sample. Providing multiple master templates for each biometric sample increases Applicant's accuracy when attempting to correlate live templates thereto.

Fifth, unlike Pare, Applicant creates a live template from a live image. Pare's conception, on the other hand, does not teach, disclose, or suggest template generation—much less template generation from live images.

Sixth, unlike Pare, Applicant provides rapid approval. Pare's conception, on the other hand, does not teach, disclose, or suggest rapid approval.

Accordingly, Applicant respectfully asserts Pare does not teach, disclose, or suggest the subject matter Applicant claimed, as evident from the language of Applicant's claims.

For at least the foregoing reasons, Applicant respectfully requests that the Examiner withdraw the rejection of Claims 1-68 under 35 U.S.C. § 102(e) as being anticipated by Pare.

10. Applicant respectively acknowledges the prior art the Examiner made of record but did not rely upon.

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CONCLUSION

Applicant believes Applicant has overcome the Examiner's rejection of i) Claims 1-34 under 35 U.S.C. § 101 as directed to non-statutory subject matter, and ii) Claims 1-68 under 35 U.S.C. § 102(e) as being anticipated by Pare. Accordingly, Applicant believes Claims 1-68 comprise statutory subject matter and are patentable, and respectfully submits that all pending claims are in a condition for allowance, which Applicant respectfully requests.

Applicant believes this Response should allow the Examiner to allow the above-referenced patent application to issue as a U.S. patent without further amendments to the specification or claims. Thus, Applicant also requests notification to that effect.

If questions arise, please telephone the undersigned attorney.

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